



**United States Department of Agriculture
Rural Development
Montana State Office**

November 1, 2005

**MT AN No. 250
(1944-I)**

TO: All Housing and Area Office Staff
All Montana Approved 523 Grantees

SUBJECT: Grantee 502 Loan Packaging Checklist

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) provides a new checklist for 523 grantees to utilize during the 502 loan packaging process. The intent of this Administrative Notice is to provide a tool for grantees to utilize that will produce consistency in loan packaging throughout the state.

COMPARISON WITH PREVIOUS AN:

There has not been an AN previously issued on this topic.

IMPLEMENTATION RESPONSIBILITIES:

It is the responsibility of approved 523 grantees to comply with all provisions of the Self Help Technical Assistance Grant Agreement and Rural Development (RD) 1944-I regulations. Part of the grantee's responsibility is to pre-qualify and package 502 loans on behalf of applicants for the program. Loan packaging consistency is important and will ease the burden of underwriting large volumes of loan applications. If loan packaging is consistent, RD staff should be able to underwrite and prepare loans for closing more efficiently. This new process should also reduce time delays for loan closings.

EXPIRATION DATE:

November 1, 2006

FILING INSTRUCTIONS:

Following RD Instructions
1944-I

P.O. Box 850 • Bozeman, MT 59771
Voice (406) 585-2580 • Fax (406) 585-2565 • TDD (406) 585-2562

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Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

As new construction builds should start before April 15th of each year, grantees should start recruiting participants as early as November. Once applicants are pre-qualified, full application processing should immediately proceed.

Grantees should utilize the attached Mutual Self Help Loan Packaging Checklist to compile the required documents in preparation for submission to Rural Development Area Offices. Once a package is complete and submitted, RD staff will underwrite, approve and obligate funds for the loan. Once the loan is complete, it should immediately be prepared for loan closing. NOTE: ALL LOANS DO NOT NEED TO CLOSE AT THE SAME TIME. Loans can be closed as soon as they are ready.

Grantee's staff should be familiar with the HB 1-3550 chapters 3 and 4. These chapters specify loan qualifying criteria. If the grantee desires to request a waiver on the file, they should provide regulatory reference and identify compensating factors. If grantee's staff members desire training on loan qualifying criteria, it should be requested from the Area Director in your area.

Questions concerning this AN should be directed to the Housing Program Director at 406-585-2551.

W.T. (Tim) RYAN
State Director

Attachment

MUTUAL SELF HELP **LOAN PACKAGING CHECKLIST**

Name of Applicant(s): _____

Date File Submitted to Rural Development: _____

ITEMS REQUIRED FOR 502 LOAN SUBMISSION	FORM NUMBER	DATES SENT AND RECEIVED FOLLOW-UP AND COMMENTS
Residential Loan Application	RD 410-1	
Authorization to Release Info.	3550-1	
RMCR or RMCR Fee		
Most Recent Federal Tax Returns		
Copy of Drivers License		
Copy of Social Security Card		
Verification of Employment	RD 1910-5 (Valid for 90 Days)	
Income Calculation Worksheet	HB 1-3550	
Verification of Deposit	1944-62	
Landlord Verification	1944-60 (2 Years Required)	
AS APPLICABLE		
Most Recent Bank Statements		
Verification of Child Care		
Verification of Dependent Care		
Verification of Student Income		
Verification of Gift	3550-2	
Evidence Qualified Alien Status		
Verification of Pension/Annuity		
Certification of Disability	1944-4	
Divorce/Separation Agreement		
Certification of Disposition of Assets		
Verification of Unemployment Benefits		
Verification of Child Support Received		
Verification of Business Expenses for Self Employed	Attachment F 2 Year Required	
Verification of Medical Expenses		
Verification of Social Security Benefits		
Eligibility Narrative		

Mutual Self Help Loan Packaging Checklist

Name of Applicant(s): _____

Date File Submitted to Rural Development: _____

ITEMS REQUIRED FOR 502 LOAN SUBMISSION	FORM NUMBER	DATES SENT AND RECEIVED FOLLOW-UP AND COMMENTS
BUY/SELL PROPERTY DOCS.		
Option to Purchase	1955-45	
Development Plan	1924-1 (Signed by Borrower(s))	
Certified Building Plans	1924-25	
Plans (8 1/2 x 11) and Specifications	Signed by Borrower(s)	
Description of Materials	1924-2	
Cost Breakdown	1924-16 (Signed by Borrower(s))	
DOCUMENTS REQUIRED PRIOR TO CLOSING/BUILDING		
Insurance Policy with Paid Receipt		
Title Sheet	Manner In Which Taking Title Legal Description Physical Address	
Copy of Building Permit		